

1099 Reporting in 9.0

Where to Start

- See website at <http://www.nd.gov/spo/connectnd/1099-information/1099-info-index.html>. Especially:
 - The How-To manual <http://www.nd.gov/spo/connectnd/manual/1099-maintenance-manual.pdf> and
 - 1099 reporting while entering vouchers <http://www.nd.gov/spo/connectnd/1099-information/1099-reporting-while-entering.html>.

1099 Manual

- Navigation changes:
 - To make corrections – *Vendors > 1099/Global Withholding > **Maintain** > Update Vchr Line Withholding*
 - Online inquiries – *Vendors > 1099/Global Withholding > **Review** > Vendor Balances by Class and Vouchers by Vendor.*
- Queries:
 - NDS_1099_MISMATCH
 - NDS_1099_ACTIVITY

Please run BOTH queries, the Mismatch Report AND the 1099 Activity Report – they will tell you different things.

Is it OKAY to have items on the Mismatch Report? YES, even employees. It just means that there is a difference in reporting on your voucher(s) from how the vendor is set up. Please look at the account numbers to see if the expense should be reported or not.

Agency Responsibilities

- Retain documentation of 1099 reporting and corrections.
- Clean up 1099 reporting for your agency's vouchers by following manual instructions.
- Collect a W-9, W-8, or approved substitute for each NEW vendor requested.

Agency Responsibilities

- Issue any 1099 form other than the 1099-MISC (e.g., 1099-S, 1099-INT, 1099-G)
- Follow the timelines given by OMB for running reports and cleaning up the reporting on your agency's vouchers.

The easiest and best way to make sure your 1099 reporting is accurate is to enter it correctly IN THE VOUCHER.

Reportable Vendors vs Reportable Payments

- It is the responsibility of Vendor Registry to worry about whether the vendor itself is liable for 1099 reporting.
- It is the agency's responsibility to decide whether or not the payment is reportable.

Examples are Dakota Awards, Midcontinent Communications, Dell Computers, etc. These companies are sole proprietorships or partnerships, therefore, they are reportable for services. Vendor Registry has added withholding information to these vendors, but if you are buying goods from them, select the proper location when paying for goods or remove the withholding checkmarks so there is no 1099 reporting.

How does your agency decide which account number should be used to pay a bill? If someone writes it on the invoice or sticky note, can that person also make notation that the payment is reportable or not? That would make it so much easier for agency staff who enter the vouchers, otherwise they will have to make that determination.

1099 Checklist for Vouchers

1. Is your payment for a reportable service, rent, or award?
2. Is the full amount reportable or only part of the payment?
3. Which withholding class applies to your payment?
 - a) Is the class you need set up on the vendor?
4. Is there a location set up for this vendor to handle specific 1099 reporting (or lack of)?

Each of these questions are addressed on our website called 1099 Reporting While Entering Vouchers, <http://www.nd.gov/spo/connectnd/1099-information/1099-reporting-while-entering.html>.

Questions 1-3 could be determined by the fiscal staff member responsible for coding the invoice with account numbers or the voucher approver (if different). What works best for your agency?

Paying State Employees

- See website at <http://www.nd.gov/spo/connectnd/1099-information/payments-to-employees.pdf>.
- Decisions:
 1. State agency employee vs Higher Ed employee
 2. Reimbursements vs reportable service or award
 3. Appropriate withholding class
- Yes, employees may show up on the Mismatch Report.

If the employee you need to make a reportable payment to is NOT set up for withholding, please contact Vendor Registry to add a 1099 reportable location.

Once a state employee's vendor is set up for 1099 reporting, any travel reimbursements paid to that employee will show up on the Mismatch Report. That is fine. It might clutter up your Mismatch Report, but it also forces agencies to look at the account numbers used to see if a reportable payment made to an employee was missed.